GOVERNMENT OF INDIA
MINES
LOK SABHA

UNSTARRED QUESTION NO:2560
ANSWERED ON:14.03.2016
Online Auction of Minerals
Chinnayan Shri S.Selvakumara

Will the Minister of MINES be pleased to state:

(a) whether the Government has notified new rules that made online auction of major and minor minerals compulsory;

(b) if so, the details thereof and the reasons therefor including the time by which the online auction is likely to be/has been started; and

(c) the total number of mines auctioned through online as on date?

Answer

THE MINISTER OF STATE FOR MINES AND STEEL (SHRI VISHNU DEO SAI)

(a) to (b): The Mines and Minerals (Development and Regulation) (MMDR) Act, 2015 which has amended the MMDR Act, 1957, prescribes the method of auction by competitive bidding for grant of mineral concessions. The Mineral (Auction) Rules, 2015 which have been framed by the Ministry to prescribe, inter alia, the procedure subject to which the auction shall be conducted, stipulates that the State Governments shall conduct an auction for grant of a mining lease or a prospecting licence-cum-mining lease, only through an online electronic auction platform. The said rules also stipulate that the auction shall be an ascending forward online electronic auction.

The said rules have come into force from the date of publication in Official Gazette i.e. 20th May, 2015 and apply to all minerals, except minerals notified as minor minerals specified in clause (e) of section 3 and minerals specified in Part A and Part B of the First Schedule to the MMDR Act, 1957.

As per section 15 of the MMDR Act, 1957, State Governments are empowered to frame rules for regulating the grant of mineral concessions in respect of minor minerals. Therefore, the manner of grant of mineral concessions comes under the legislative and administrative jurisdiction of the State Governments. However, State Governments have been advised to adopt a transparent and non-discriminatory method for granting the mineral concessions in respect of minor minerals.

(c): A total of 6 mining blocks have been auctioned through online electronic auction procedure in different states as on 10.03.2016.